

Suburban resurgence fuels broad-based office recovery



Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Winnipeg’s office market gained momentum this quarter, recording 107,000 sq. ft. of positive net absorption and a vacancy rate of 15.1%. This performance, the strongest since Q1 2024, reflects broad-based demand and a renewed push for occupancy across both downtown and suburban sectors.
- The suburban market significantly tightened, with vacancy dropping to 9.7%, while the downtown core remained stable. Market-wide rental rates held steady at \$16.09 per sq. ft., though suburban assets saw a \$1.25 per sq. ft. year-over-year increase, signaling strong demand for high-quality, modern workspace.
- Development remains measured, with 28,000 sq. ft. currently under construction. Future supply remains focused on high-quality suburban flex-office, with major projects like Waters Business Park and The Refinery District in the pipeline, reflecting long-term developer confidence in the region’s evolving workspace needs.

FIGURE 1: Q3 2026 Market Fundamentals

Submarket	Inventory (SF)	Vacancy Rate (%)	Sublease Vacancy (SF)	Sublease % of Vacant	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rate (PSF)
Downtown Class A	3,650,252	12.6%	49,608	10.8%	3,574	0	0	\$19.36
Class B	4,553,991	19.5%	97,663	11.0%	3,281	0	0	\$15.01
Class C	2,706,988	19.8%	16,006	3.0%	14,658	0	0	\$14.29
Downtown Total	10,911,231	17.3%	163,277	8.7%	21,513	0	0	\$15.96
Suburban Total*	4,362,766	9.7%	43,597	10.3%	85,174	0	28,320	\$17.26
Winnipeg Total	15,273,997	15.1%	206,874	9.0%	106,687	0	28,320	\$16.09

*Suburban market is comprised of Class B product
Source: CBRE Research, Q3 2026.

Winnipeg office market records strong positive absorption in Q3

The Winnipeg office market demonstrated strong performance in Q3 2026, with overall vacancy decreasing by 70 basis points (bps) to 15.1%, driven by 107,000 sq. ft. of positive net absorption. This quarter marks the highest level of net absorption since Q1 2024, signaling an uptick in market activity. The office sector continues to adapt to evolving workplace strategies, with this quarter’s strong absorption figures highlighting a renewed push for office occupancy across multiple classes throughout the city.

Office market by class

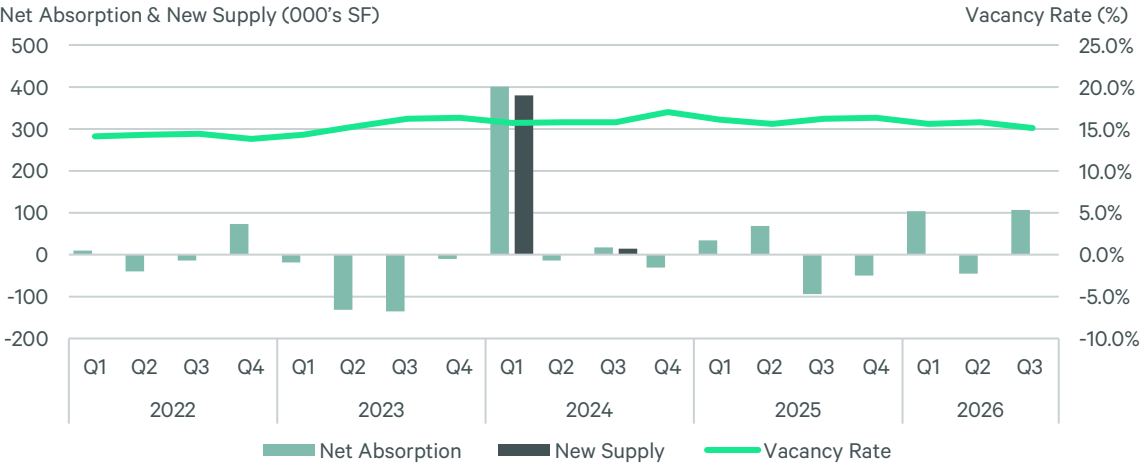
The downtown office market displayed robust market fundamentals across all classes as it continued to balance ongoing office presence trends. Downtown Class A properties maintained stability, recording a 10 bps decrease in vacancy resulting in a vacancy rate of 12.6%. This was supported by 4,000 sq. ft. of positive net absorption. Net rental rates remained stable, with a modest increase to \$19.36 per sq. ft.

Class B properties in the downtown core showed improvement, with vacancy decreasing 10 bps to 19.5% on the back of 3,000 sq. ft. of positive net absorption. Rental rates held steady at \$15.01 per sq. ft., a marginal decrease of \$0.02 per sq. ft. quarter-over-quarter.

Class C properties displayed a notable recovery, recording a vacancy rate of 19.8%, a 50 bps decrease quarter-over-quarter. This sector saw a significant uptick in demand, recording 15,000 sq. ft. of positive net absorption. Average net rental rates increased \$0.14 per sq. ft. to \$14.29 per sq. ft.

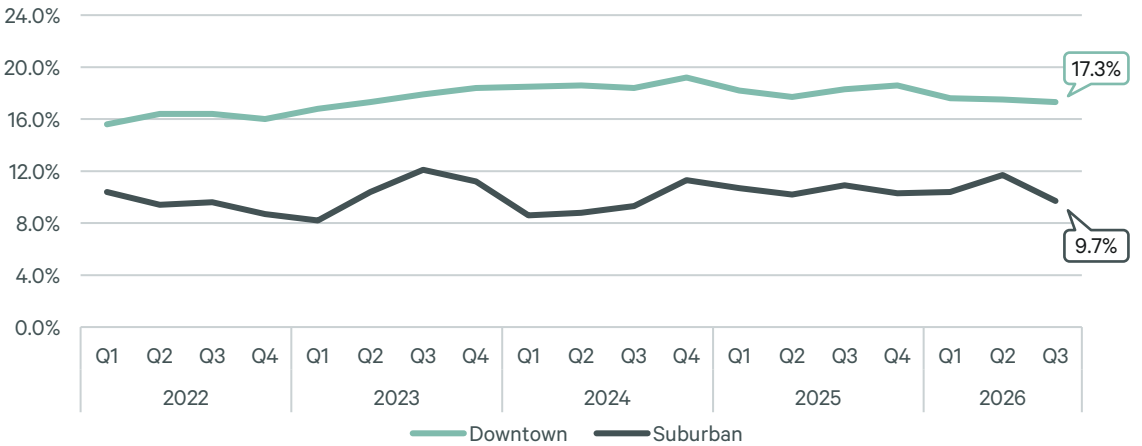
Suburban market fundamentals strengthened this quarter, outperforming previous trends. Vacancy dropped by 200 bps this quarter, settling at 9.7%, bolstered by 85,000 sq. ft. of positive net absorption. This represents a significant swing from the negative net absorption experienced in Q2 2026. Average net rental rates in the suburban market rose \$0.15 per sq. ft. to \$17.26 per sq. ft.

FIGURE 2: Supply & Demand Office Market Fundamentals



Source: CBRE Research, Q3 2026.

FIGURE 3: Downtown vs. Suburban Vacancy



Source: CBRE Research, Q3 2026.

Rental rates remain stable

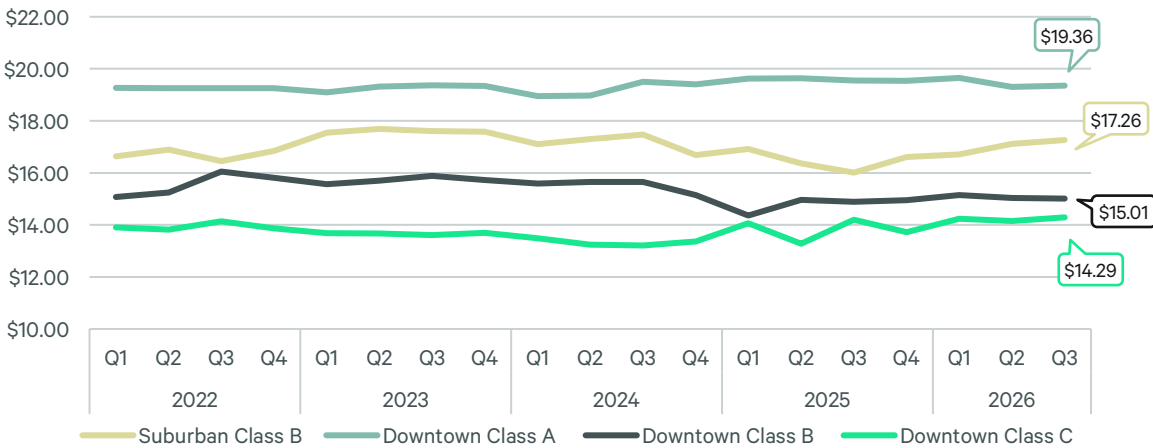
Rental rates across the Winnipeg office market remained stable this quarter, suggesting a balanced pricing environment despite shifts in vacancy and deal activity. Downtown average rental rates saw a slight increase to \$15.96 per sq. ft., contributing to a minor overall average net rate increase of \$0.04 per sq. ft. quarter-over-quarter, bringing the overall market to \$16.09 per sq. ft. The suburban market continues to impress, with rates rising to \$17.26 per sq. ft., representing a robust \$1.25 per sq. ft. increase year-over-year, which underscores the sustained demand for high-quality suburban space. Meanwhile, secondary assets are showing clear signs of recovery; Class B rates have successfully rebounded from the \$14.89 per sq. ft. benchmark seen in Q3 2025, while Class C product continues a steady, multi-year climb. Having risen from \$13.21 per sq. ft. in Q3 2024 to \$14.20 per sq. ft. in Q3 2025, Class C rates reached \$14.29 per sq. ft. this quarter, demonstrating an upward trajectory. Collectively, this pricing consistency, paired with positive net absorption across all classes, signals a stabilizing market in which landlords and tenants are finding a balanced negotiation environment.

Office development

Office development activity remained subdued, in line with the previous quarter. The total volume of space under construction remained at 28,000 sq. ft., all of which is located within the suburban submarket. This measured approach to development reflects a continued focus on market absorption of existing inventory before committing to new speculative projects.

- Private Pension Partners (P3) is nearing completion on their newest development, The District at Bridgwater, located at 345 Centre Street in Southwest Winnipeg. The project promises to bring a total of 28,000 sq. ft. of office product across the upper three floors with the 8,200 sq. ft. main floor earmarked for retail use. P3 plans to occupy the full 8,080 sq. ft. second floor.
- Terracon Developments is nearing the completion of the prep work for their development at the Waters Business Park with Building W2 next on the list. This building would be 45,000 sq. ft. of flex-office building featuring grade loading for additional flexibility. The development also has plans for multiple asset classes in addition to the office component.
- Hopewell Developments continues planning their development, The Refinery District. The second building of this project, Building A, is set to bring 48,000 sq. ft. of suburban flex office space to Southwest Winnipeg.

FIGURE 4: Average Net Rental Rates by Class (PSF)



Source: CBRE Research, Q3 2026.

FIGURE 5: Notable Projects Under Construction, Proposed and Complete

Project Stage	Submarket	Property	Size (SF)	Developer
Under Construction	Suburban	The District at Bridgwater	28,000	P3 Realty Services
Planned & Expected	Suburban	Waters Business Park Building W2	45,000	Terracon Developments
Planned & Proposed	Suburban	The Refinery District	48,000	Hopewell Developments

Source: CBRE Research, Q3 2026.

Market Area Overview



Definitions

Available sq. ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Net Absorption: The change in Occupied sq. ft. from one period to the next. Occupied sq. ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area. Vacant sq. ft.: Space that can be occupied within 30 days.

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